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Spy-Case Suspect Familiar With Up to 24 More Double Agents

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Richard Craig Smith told the FBI he sold secrets to the Soviet Union only after he believed he had been detected, and then sought to avoid prosecution by saying he would pretend to further cooperate with the Soviets, a federal prosecutor said yesterday.

Assistant U.S. Attorney Joseph J. Aronica said that Smith, a former U.S. Army counterintelligence officer who for \$11,000 allegedly revealed to

the KGB, the Soviet intelligence service, the names of six Soviet agents who were actually working for the United States, knew of as many as 24 other similar double-agent operations and may have told the Soviets more than he claimed.

"The government strongly believes that he has not fully disclosed all the information that he told the Soviets," Aronica said during a bond hearing in U.S. District Court in Alexandria. "If released on bond, he would pose a serious threat because

of the information he has in his head, plus the fact that he was inclined to give up the six double-agent operations."

U.S. District Court Judge Albert V. Bryan Jr. said he could not deny bond altogether but because Smith, 40, of Bellevue, Wash., has "the ability to seriously endanger the national defense," ordered him held in lieu of \$500,000 bond.

Smith's lawyer, William B. Cummings, argued that Smith should be released on his own recognizance

because he loves his family and his country, still retains strong community ties to Northern Virginia, where he graduated from McLean High School in 1962 and where his father, a retired government education employee, had worked for many years, and because he has already cooperated with the government.

Smith did not appear in court, but his older brother Hyrum, a pilot with Ozark Airlines, said it was "absurd to think he (Richard Craig Smith) would do anything like this

for \$11,000. "I could have loaned him \$11,000," said Hyrum Smith, III, one of Smith's six siblings.

In a statement issued after the hearing, Smith's family said he "is a person of high moral integrity," and "the suggestions by the government that he might be a danger to the community are absurd." The family has established a fund in Salt Lake City to raise money for his legal defense and bond.

Smith, who worked for the Army Intelligence and Security Command from 1973 to January 1980 and was the case officer responsible for one of the double-agent operations known as "Royal Miter," surrendered to the FBI at Dulles International Airport last Wednesday. He was indicted Monday by a federal grand jury that alleged in a five-count indictment that Smith met with a KGB agent at the Soviet commercial compound in Tokyo and was paid \$11,000 for revealing the identity and code name of "Royal Miter" and five other double agent operations.

The indictment alleges that Smith met with the agent, Victor I. Okunev, twice in November 1982 and once in February 1983 and that Okunev, who has been first secretary at the Soviet Embassy in Japan since October 1980, also offered Smith an additional \$100,000 to \$150,000 for more secret information.

If convicted, Smith faces a maximum penalty of life imprisonment on one conspiracy and two espionage charges and a maximum penalty of 10 years and a \$10,000 fine on each of the two lesser espionage charges.

He is scheduled to be arraigned Friday at 9 a.m. Cummings said Smith will plead not guilty and wants to "answer the charges."

Cummings said in court papers that Smith had been in constant communication with federal authorities in the two months prior to his arrest, flew to Washington from Seattle at his own expense and submitted to two polygraph tests.

After the hearing, Cummings said Smith knew he was going to be charged but had not expected to be held in jail without bond. "He feels disillusioned with the criminal justice system," Cummings said.

Aronica said, however, that Smith "came forward not out of love for his country, but because he believed that he had been picked up by Japanese surveillance. He thought the Japanese had the Soviet commercial compound under surveillance."

When Smith first initiated contact with the FBI sometime in the summer of 1983, Aronica said, "he gave them a story about how had conned the Soviets out of \$11,000.

"It was not until he was confronted with the fact that certain unusual occurrences had happened involving certain double-agent operations that he came forward and began telling exactly what he claims occurred at his meetings with Okunev."

A federal law enforcement official who did not wish to be named said none of the agents was killed as a result of Smith's alleged disclosures but that some operations had been compromised.

"When he began telling, he was hoping to be used for a double agent and not be prosecuted," Aronica said.

An undercover FBI agent then contacted a Soviet agent in San Francisco using the fictitious names and recontact procedures that Smith and Okunev had allegedly agreed upon in earlier meetings, Aronica said.

From November 1983 to January 1984, the FBI agent made contact three times, and was told each time by the Soviet agent in San Francisco who believed the FBI agent to be Smith that the Soviets wanted to continue the relationship. The FBI agent was told to go again to Tokyo, "meet where they met before and he would be paid what he asked for," Aronica said.

The double-agent operations conducted by the Army Intelligence and Security Command, which is based in Arlington, are important for national security because they allow the U.S. government to learn about the Soviet espionage activities directed against obtaining U.S. military secrets, Aronica said.

"The fact that those operations are given up and disclosed to the Soviets has caused them to realize that some of their KGB agents are identified and have been neutralized and that the United States knows about their methods and the information they are interested in and has caused them to more closely scrutinize the information or disinformation that they have obtained," Aronica said.